

- Champion Pneumatic Machinery Co., Inc. (formerly Transvision, Inc.), the taxpayer herein, having filed application for revision of franchise tax under Article 9A of the Tax Law for the privilege year ended October 31, 1959, and a hearing having been held in connection therewith at the office of the State Tax Commission in Albany, New York, on April 26, 1962, before William F. Sullivan, Senior Tax Administrative Supervisor of the Corporation Tax Bureau of the Department of Taxation and Finance, at which hearing Joseph O. Kostner, Esq., assistant secretary and counsel of the taxpayer, appeared personally and testified, and the record having been duly examined and considered by the State Tax Commission,

Business Income	\$481,173.41
Business Allocation	19.476%
New York Base	93,713.33
Tax at 5½%	5,154.23
Penalty for underpayment	<u>178.65</u>
Total	\$ 5,332.88

(3) That the tax was audited and stated on July 22, 1960, and application for revision was filed on November 6, 1961;

(4) That up to June 16, 1958 the taxpayer was solely engaged in the manufacture of electronic parts with all operations being conducted in New Rochelle, New York; that effective as of June 16, 1958 the taxpayer acquired all the assets of Chicago Pneumatic Machinery Co., an Illinois corporation, engaged in the manufacture of air compressors and compressor type pneumatic machinery with all operations being conducted in Princeton, Illinois; that after this acquisition, the two operations referred to as the Transvision division and the Champion division, operated entirely separate; that separate sets of accounting records and bank accounts were maintained; each division had its own production facilities; all expenses of each division were paid by and charged to the respective divisions where the services were performed; that there were no inter-divisional sales or administrative salaries or expenses;

(5) That Mr. Kostner, in his letter of March 29, 1961, enclosed financial statements prepared by the taxpayer's certified public accountants; that statement showing net income of \$482,353.31 for the fiscal year 1959 indicates that \$472,564.30 was earned by the Champion division in Illinois and \$9,789.01 was earned by the

Transvision division in New York;

(6) That Section 210.8 of the Tax Law reads,  
in part, as follows:

"If it shall appear to the tax commission that any business or investment allocation percentage determined as hereinabove provided does not properly reflect the activity, business, income or capital of a taxpayer within the state, the tax commission shall be authorized in its discretion, in the case of a business allocation percentage, to adjust it by (a) \* \* \*, (b) \* \* \*, (c) \* \* \*, or (d) any other similar or different method calculated to effect a fair and proper allocation of the income and capital reasonably attributable to the state \* \* \* \*."

Upon the foregoing findings and upon all the evidence presented, it is hereby

DETERMINED:

(A) That to effect a fair and proper allocation of income and capital attributable to the taxpayer's operations in New York State, a separate accounting basis is permitted;

(B) That the tax for the privilege year ended October 31, 1959 is resettled as follows:

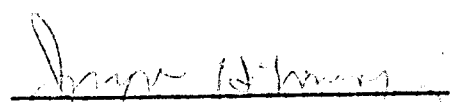

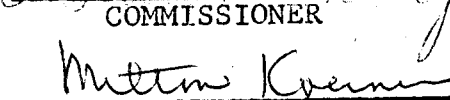
Net Income from New York operations	\$9,789.01
Tax at 5½%	538.40
Penalty for underpayment	
Total	

(C) That the resettled tax does not include taxes or other charges which are not legally due.

Dated: Albany, New York

this 8th day of April 1969.

THE STATE TAX COMMISSION

  
COMMISSIONER  
  
COMMISSIONER  
  
COMMISSIONER

TQ: STATE TAX COMMISSION

RE: CHAMPION PNEUMATIC MACHINERY CO., INC.  
(formerly TRANSVISION, INC.)

This is one of the pending cases turned over to my office for review, received from the Law Bureau under date of March 25, 1969.

Mr. Nigel Wright, Hearing Officer, has reviewed the determination prepared by the Corporation Tax Bureau and is in agreement with it.

If it meets with your approval, please sign three copies of the determination and return the file to my office for further processing.

/s/

E. ROOK

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Secretary to the  
State Tax Commission

March 27, 1969

cc Mr. Wright

DEPARTMENT OF TAXATION AND FINANCE

## MEMORANDUM

TO: Mr. Best OFFICE Corporation Tax

FROM: Mr. Doran DATE January 5, 1966

SUBJECT: Champion Pneumatic Machinery Co., Inc.  
(formerly Transvision, Inc.)

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DEPARTMENT OF REVENUE

RECEIVED  
DEPARTMENT OF  
TAXATION AND FINANCE  
JAN 1966

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Attached are the file and a proposed determination to be submitted to the State Tax Commission after your review.

To effect a fair and proper allocation of income and capital attributable to the taxpayer's operations in New York State, a separate accounting basis is suggested.

Penalty (interest) for underpayment of tax on the re-settled assessment will be computed when the file is returned to this office.

E. A. DORAN

## Attachments